

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

**FILED**

10/31/19  
02:27 PM

October 31, 2019

**Agenda ID #17892**  
**Ratesetting**

TO PARTIES OF RECORD IN APPLICATION 18-07-019:

This is the proposed decision of Administrative Law Judge Patricia B. Miles. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's December 5, 2019 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4)(B).

/s/ ANNE E. SIMON  
Anne E. Simon  
Chief Administrative Law Judge

AES:avs

Attachment

Decision PROPOSED DECISION OF ALJ MILES (Mailed 10/31/2019)

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Joint Application of Gill Ranch Storage, LLC (U914G), Northwest Natural Gas Company, NW Natural Energy, LLC, NW Natural Gas Storage, LLC, SENSEA Holdings LLC, Sciens eCORP Natural Gas Storage Holdings LLC, eCORP Storage LLC, and Sciens Natural Gas Holdings LLC for Authorization to Transfer Control of Gill Ranch Storage, LLC to SENSEA Holdings LLC Pursuant to Public Utilities Code Section 854(a).

Application 18-07-019

**DECISION AUTHORIZING TRANSFER OF CONTROL**

**Summary**

This decision grants the application of Gill Ranch Storage, LLC, Northwest Natural Gas Company, NW Natural Energy, LLC, SENSEA Holdings LLC, Sciens eCORP Storage LLC, eCORP Storage LLC and Sciens Natural Gas Holdings LLC (collectively "Joint Applicants") for authorization to transfer control of Gill Ranch Storage, LLC from NW Natural Gas Storage to SENSEA Holdings LLC pursuant to Public Utilities Code Section 854(a).

The transfer of control is approved. This proceeding is closed.

## 1. Background

Public Utilities (Pub. Util.) Code § 854(a), requires Commission authorization before completing a merger, acquisition or transfer of control which affects (directly or indirectly) any public utility doing business in California.

Application (A.) 18-07-019 (Application) filed July 25, 2018, requests Commission authorization for NW Natural Gas Storage to transfer control of Gill Ranch Storage, LLC (GRS) to SENSEA Holdings LLC (SENSEA) through purchase and sale of NW Natural Gas Storage's wholly owned subsidiary GRS to SENSEA.

Upon Commission approval, SENSEA will purchase the outstanding limited liability company interest in GRS that NW Natural Gas Storage currently owns.<sup>1</sup>

### 1.1. Procedural Background

Notice of the Application appeared in the Commission's Daily Calendar on August 1, 2018. Office of the Safety Advocate (OSA)<sup>2</sup> filed a protest on August 31, 2018.<sup>3</sup> OSA expressed concern whether (1) the acquisition of GRS by SENSEA would have an effect on GRS' ability to safely operate and maintain their

---

<sup>1</sup> See Decision (D.) 18-05-010 in proceeding A.17-02-003 approving a change of control under which GRS remained a wholly owned subsidiary of NW Natural Gas Storage.

<sup>2</sup> OSA was established in the fall of 2016 pursuant to Senate Bill 62 (Chapter 806, Statutes of 2016) to advocate, on behalf of the interest of public utility customers, for the continuous, cost-effective improvement of the safety management and safety performance of public utilities. OSA participates in Commission's proceedings as an advocate on utility safety concerns and to ensure that the official record in Commission's proceedings addresses safety related risks and provides transparency on safety information. OSA also recommends improvements to the Commission's safety management policies, procedures, and safety culture. (<http://www.cpuc.ca.gov/safetyadvocates/>.)

<sup>3</sup> Protest of OSA dated August 31, 2018 (Protest) at 2 -3.

storage facilities to ensure the safety of its workers and the public, as required by Pub. Util. Code § 451; (2) whether SENSEA will have assets available and credit worthiness to sufficiently respond to sudden or unexpected safety concerns or considerations during and after the acquisition, and (3) whether SENSEA should be required by the Commission to continue to comply with the terms and conditions under the settlement agreement between OSA and GRS which the Commission approved in D.18-05-010.

On August 31, 2018, Pacific Gas and Electric Company (PG&E) filed a response indicating that it does not object to the proposed transfer of control. On September 10, 2019, the Joint Applicants filed a reply to the protest of OSA.

A prehearing conference (PHC) was held on September 25, 2018. At the PHC, counsel for the Joint Applicants and OSA indicated that they would continue to communicate and to exchange data requests and documentation in order to determine whether an evidentiary (EH) hearing would be necessary.

On January 18, 2019, the parties filed notice that, after engaging in settlement discussions and extensive negotiation over several months, they had agreed upon terms of settlement and would hold a settlement conference on January 25, 2019. On February 14, 2019, the parties filed a Joint Motion for Approval of Settlement Agreement, along with their signed settlement agreement.<sup>4</sup> However, on July 23, 2019, OSA filed notice of its withdrawal from the settlement agreement, along with a motion to take official notice of court proceedings in Oklahoma and Texas.<sup>5</sup> On July 29, 2019, the Joint Applicants filed

---

<sup>4</sup> On February 14, 2019, SENSEA also filed a Motion for Leave to File Confidential Information Under Seal Consistent with the Confidentiality Protections of General Order (GO) 66-D.

<sup>5</sup> See Notice of Withdrawal of Consent to The Settlement Agreement and Request for New Prehearing Conference (Notice of Withdrawal) and Motion To Take Official Notice In Support Of OSA's Notice of Withdrawal (Motion to Take Official Notice) both dated July 23, 2019.

their response to the OSA Motion. Joint Applicants also filed a Motion to Supplement the Evidentiary Record (Motion to Supplement) with a list of regulatory commitments that they would agree to comply with despite OSA's withdrawal from the settlement agreement.

A PHC was held on October 1, 2019. At the PHC, Joint Applicants affirmed their commitment to comply with the safety terms and conditions that OSA and GRS agreed to in a prior settlement agreement, which the Commission approved in D.18-05-010. However, OSA explained that their concern was that a certain individual, by involvement as an executive or board member, could compromise the financial stability of one or more of the Joint Applicant companies.<sup>6</sup> The Administrative Law Judge (ALJ) acknowledged to OSA that it would be somewhat speculative to assume that misfeasance affecting GRS would occur, but requested that Joint Applicants explore options that might exist for securing insurance or a financial surety bond on the individual.<sup>7</sup> This would provide protection should any misfeasance occur.

On October 11, 2019, Joint Applicants submitted a statement concerning an additional commercial policy that they have procured to cover financial misdeeds by any employee of SENSEA. The policy provides coverage of \$5 million, which is equivalent to 50% of GRS's cash flow operating expenses for 2018. The policy will become effective as of the date of Commission approval of SENSEA's acquisition of GRS.<sup>8</sup>

---

<sup>6</sup> Although court proceedings in Texas and Oklahoma involved allegations about the individual, the disposition of those proceedings did not clearly demonstrate guilt. As a result, the court proceedings are not conclusive, however concerning.

<sup>7</sup> See PHC Transcript dated October 1, 2019 (Transcript) at 79 line 18- 81 line 6.

<sup>8</sup> See Joint Applicants Statement Regarding Incremental Insurance Coverage for Gill Ranch Storage, LLC dated October 11, 2019"

## 1.2. Parties to the Transaction

**GRS** is an Oregon limited liability company formed in 2007 for the purpose of developing, owning, and operating the Gill Ranch Facility (Facility), located at the Gill Ranch Gas Field in Madera and Fresno Counties.<sup>9</sup> It is a wholly-owned subsidiary of NW Natural Gas Storage, which is a wholly-owned subsidiary of NW Natural Energy. NW Natural Energy is a wholly-owned subsidiary of NW Natural.<sup>10</sup>

**NW Natural** is an over 150-year-old Oregon corporation engaged in the business of purchasing, selling, storing, transporting, and distributing natural gas to over 700,000 customers via separate systems in Oregon and southwest Washington. NW Natural's facilities and services in Oregon and Washington are subject to the jurisdiction of the Oregon Public Utility Commission and the Washington Utilities and Transportation Commission.

NW Natural formed **NW Natural Energy** on May 26, 2009 and **NW Natural Gas Storage** on July 31, 2009. Both are Oregon limited liability companies. NW Natural formed these wholly-owned subsidiaries to ensure appropriate segregation and accounting for NW Natural's regulated core gas distribution business, its regulated gas storage business, and its other

---

<sup>9</sup> The Facility is comprised of (1) a 20 billion cubic feet underground natural gas storage field (Storage Field), within the Gill Ranch Gas Field; (2) a compressor station for injecting gas into and withdrawing gas from the Storage Field, and associated dehydration and control facilities; (3) a pipeline extending approximately 27 miles from the Storage Field PG&E Line 401; and (4) an electric substation located at the compressor station connected to an approximately nine-mile 115 kilovolt (kV) electric power line extending from PG&E's Dairyland Mendota 115 kV power line to the compressor site. GRS owns 75% of the facility and PG&E owns the other 25%.

<sup>10</sup> Application at 1. According to the Application, NW Natural is a public utility regulated by the Oregon Public Utility Commission and the Washington Utilities and Transportation Commission. It is simultaneously requesting approval of the reorganization from those entities.

investments and business activities.<sup>11</sup> Upon approval of A.17-02-003 in D.18-05-010 by the Commission and completion of the reorganization therein, NW Natural Energy (like NW Natural) became a wholly-owned subsidiary of Holdco. NW Natural Gas Storage continued to be a wholly-owned subsidiary of NW Natural Energy.

**SENSA** is a Delaware limited liability company created in 2017 for the purpose of acquiring, owning and operating natural gas storage facilities and related infrastructure assets within the U.S. It is owned 100% by Sciens eCORP Storage, which is directly owned 50% by eCORP and 50% by Sciens Natural Gas.<sup>12</sup>

**Sciens eCORP Natural Gas Storage Holdings LLC** is directly owned 50% by Sciens Natural Gas and 50% by eCORP.

**eCORP** is a Delaware limited liability company created in 2017 for the purpose of participating in eCORP Sciens Storage and SENSA. eCORP and its family of companies, have been involved in the development, ownership or operation of approximately 20% of the capacity of new gas storage projects in the United States. These companies pioneered the use of large bore horizontal wells to develop reservoir storage with high injection and withdrawal rates in rock formations previously regarded as unfit for storage development.

**Sciens Natural Gas Holdings LLC (Sciens Natural Gas)** is a Delaware limited liability company established for the sole purpose of making investments in natural gas storage facilities (such as GRS) with eCORP Storage.

---

<sup>11</sup> Application at 6.

<sup>12</sup> *Id* at 13. eCORP and Sciens Natural Gas have submitted balance sheets and income statements (with a Motion for Leave to File under Seal and Maintain Confidentiality) demonstrating the financial capability of their respective members and affiliates to participate in the purchase of GRS.

**Sciens Capital Management LLC (Sciens Capital)** was established in 1994 to manage a family of independent investment funds and assets involved in areas of private equity, hedge funds and assets such as real estate, natural resources, transportation and utility infrastructure. Sciens Capital creates private equity funds which attract capital from institution and high net worth investors interested in long term investments. Sciens Capital promotes new investment opportunities (such as GRS here) then funds the investment pools such as the one which will fund the GRS acquisition and initial operations with third party capital prior to the scheduled closing.

### **1.3. Proposed Transaction**

The Application describes a transaction whereby, at closing, a Sciens Capital fund will provide money necessary for SENSEA to acquire GRS. eCORP and Sciens Natural Gas will each be a general partner of the Sciens Capital fund and will continue to control the management and operations of eCORP Storage, SENSEA and GRS.

Upon approval of the transaction by the Commission, SENSEA will acquire control of the outstanding limited liability company interests of GRS from NW Natural Gas. After acquisition, GRS will continue to operate Gill Ranch Facility, and will continue to offer service pursuant to and in accordance with the terms and conditions of its tariffs approved by the Commission. GRS will not change any rate or other term of service as a result of the transaction. Operations will continue to be maintained and operated with the same safety, service reliability and environmental supervision and experience developed by GRS management.<sup>13</sup>

---

<sup>13</sup> See Application at 15-16. SENSEA has agreed to a transition services agreement under which it will offer individuals working at and operating the Gill Ranch Facility, compensation and



## **2. Is Approving the Transfer of Control in the Public Interest?**

Section 854 requires Commission authorization before a company may “merge, acquire, or control . . . any public utility organized and doing business in this state . . .” The purpose of this section is to enable the Commission, before any transfer of control of a public utility is consummated, to review the circumstances of the transfer and to take such action, as a condition of the transfer, as the public interest may require.

OSA protests that the Commission should require SENSEA to continue to comply with the terms and conditions under the settlement agreement between OSA and GRS which the Commission approved in D.18-05-010. The Joint Applicants agree to comply with those commitments.

### **2.1. Relevant Safety Considerations**

OSA expressed concern about whether the acquisition of GRS by SENSEA would have an effect on GRS’ ability to safely operate and maintain their storage facilities to ensure the safety of its workers and the public, as required by Pub. Util. Code § 451.

SENSEA addresses this concern by agreeing that the Chief Safety Accountability Officer (CSAO),<sup>14</sup> for GRS will continue to have clearly defined duties and responsibilities, including the authority and control over human and

---

benefits at least equal to the employment package that they currently have. Management personnel at GRS may change. SENSEA will execute a transition services agreement with each through which they will provide SENSEA management with expertise and other services at GRS for up to eighteen months after the transaction closes. SENSEA intends to recruit additional management personnel experienced in natural gas storage so that the facility will continue to be operated consistent with employee and public safety as required by the Commission in prior decisions D.09-10-035 and D.18-05-010.

<sup>14</sup> The CSAO role was created as part of the terms and conditions under the settlement agreement between OSA and GRS which the Commission approved in D.18-05-010.

financial resources required to establish and maintain GRS' safety management systems and programs to ensure that GRS meets its safety obligations. The CSAO must also report to SENSA on GRS' safety no less than once a year.

GRS also agrees to organize and expand its Pipeline Safety Management System to create a comprehensive Safety Management System for the entire Gill Ranch Facility, encompassing all operations, assets and personnel.

GRS will continue to provide the Commission with access to GRS and SENSA meeting minutes, presentations and reports of subcommittees that directly or indirectly relate to safety matters at GRS.

## **2.2. Increased Insurance Coverage**

The Joint Applicants' list of regulatory commitments includes their commitment to maintain insurance policies (*see* Exhibit A to Motion to Supplement). GRS also will submit a Tier 1 advice letter filing, no later than March 30 of each year starting in 2020, to confirm its insurance coverages.

As part of its Notice of Withdrawal, OSA filed a Motion to Take Official Notice of court proceedings in Oklahoma and Texas, which concern financial allegations against an individual, who also serves as an executive or board member of one or more of the Joint Applicant companies. OSA expresses that the financial condition and history of the individual raises concern that he could jeopardize the economic viability of the proposed new owners and in turn, compromise the financial stability of GRS. This causes OSA to question the prudence of its settlement agreement with the Joint Applicants and to withdraw its support for authorization of the proposed sale of GRS.<sup>15</sup>

---

<sup>15</sup> *See* Notice of Withdrawal at 6-7.

To address the concerns of OSA that one or more individuals could take action which jeopardizes economic or financial viability of SENSEA or GRS, the Joint Applicants confirm that they will procure a commercial policy to cover financial misdeeds by any employee of SENSEA. The policy will become effective as of the date of Commission approval of SENSEA's acquisition of GRS.

We approve of the Joint Applicants commitment to maintain insurance coverages.

### **2.3. Safe Operation and Maintenance Under Pub. Util. Code § 451**

Pub. Util. Code § 451 requires a public utility to furnish and maintain adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.

As part of its regulatory commitments, GRS will organize and expand its Pipeline Safety Management System to create a comprehensive safety management system for the entire Facility, which incorporates the best practices of the American Petroleum Institute's framework, and encompassing all operations, assets and personnel.<sup>16</sup> GRS will also report to the Commission about safety performance measures annually, no later than March 30 each year.<sup>17</sup>

### **2.4. Standard of Review**

The primary standard used by the Commission to determine if a transaction should be authorized under § 854 is whether the transaction will adversely affect the public interest.<sup>18</sup> The Commission determines the

---

<sup>16</sup> See Motion to Supplement at A-1.

<sup>17</sup> *Id* at A-3.

<sup>18</sup> See D.07-05-031 at 3; see also D.10-10-017 at 11.

applicability of § 854 on a case-by-case basis. The facts in this case involve a change in the form of ownership, but it is anticipated that, due to a transition services agreement, under which on-site and operations management will remain in their current capacities and continue to be charged with responsibility for operating the facility after acquisition, there will be no significant change in the actual management or control of GRS.<sup>19</sup> With respect to a gas storage utility, such as GRS, the Commission has stated that it is prudent public policy to review and approve changes in the ownership and control of certificated natural gas storage utilities, whether those changes occur directly, or indirectly through corporate intermediaries. Such review should help to ensure the continued economic viability of such utilities and to prevent market manipulations that may affect not only their own customers but also larger ratepayer groups.<sup>20</sup>

The proposed transfer of control maintains the safety measures within the terms and conditions under the settlement agreement between OSA and GRS approved in D.18-05-010 by the Commission. For instance, the Joint Applicants agree to continue the Safety Council and CSAO position created under D.18-05-010 to provide additional accountability for safety.<sup>21</sup>

For the foregoing reasons, we conclude that the proposed transaction will not adversely affect the public interest, and that the transfer is in the public interest.

---

<sup>19</sup> See Application at 16.

<sup>20</sup> D.03-02-071 at 12-14.

<sup>21</sup> See Application at 18-20.

### **3. Applicability of the California Environmental Quality Act (CEQA)**

The Application requests that the Commission find that the proposed transaction is not a “project” under the CEQA, or that it is exempt under the CEQA Guidelines.<sup>22</sup>

Under CEQA, the Commission is a lead agency, and must consider the environmental consequences of any project that is subject to its discretionary approval.<sup>23</sup> A “project” is defined as any activity which may cause a direct physical change to the environment, or a reasonably foreseeable indirect physical change to the environment.<sup>24</sup> However, even if an activity is a project under CEQA, it will be deemed exempt from CEQA if it can be seen with certainty that the project will not have a “significant” effect on the environment.<sup>25</sup>

Here, the proposed transfer of control of GRS to SENSEA will cause neither a direct or reasonably foreseeable indirect physical change in the environment, nor any physical change to GRS or the Facility. As such, it clearly is not a “project” as defined under CEQA. Accordingly, the transfer of control is exempt from CEQA review.

### **4. Request for Confidential Treatment**

Pursuant to Rule 3.6(e),<sup>26</sup> each of the Joint Applicants submitted their most recent balance sheets (unaudited) and income statements (unaudited).

---

<sup>22</sup> *Id.* at 22-23, Section VII.

<sup>23</sup> Public Resources Code § 21080.

<sup>24</sup> *Id.* § 21065.

<sup>25</sup> CEQA Guidelines, 14 CCR § 15061(b)(3).

<sup>26</sup> Rule 3.6(e) requires applications for a transfer of control to include a balance sheet as of the latest available date, together with an income statement covering the period from the close of the last year for which an annual report has been filed with the Commission to the date of the balance sheet attached to the application.

Concurrent with filing of the Application, Joint Applicants filed motions requesting leave to file under seal Exhibits A, D and G.<sup>27</sup> On February 14, 2019, Sensa filed a motion requesting confidential treatment of certain insurance information. The Motions are unopposed.

Section 583 and GO 66-C authorize the Commission to exclude certain information from public inspection, if revealing the reports, records or information would place the regulated company at an unfair business disadvantage. The parties assert that permitting public disclosure of the financial and insurance exhibits would cause an unfair business disadvantage, thus they contend that they should be protected from disclosure under the California Public Records Act and the California Evidence Code.<sup>28</sup> Under California law, trade secrets include information with independent economic value, actual or potential, because it is not generally known to the public or to other persons who could obtain economic value from its disclosure and the information is the subject of efforts to maintain its secrecy.<sup>29</sup>

In this case, absent additional concerns or protests, the public interest in protecting confidential financial information outweighs the public interest in disclosing the information. Therefore, we grant the request for confidential treatment of the financials for a period of two years from the effective date of this decision. During that period, the information must not be made accessible or disclosed to anyone other than the Commission staff except on the further order

---

<sup>27</sup> The financials attached to the Application for which confidential treatment are requested are: Exhibit A - "Gill Ranch Storage, LLC Financial Statement" and Exhibit D - "Buyers' Financial Statements." Confidential treatment is also requested for Exhibit G - "Transition Services Agreement."

<sup>28</sup> Government Code, § 6254(k); Evidence Code, § 1060 (trade secret privilege).

<sup>29</sup> Civil Code, § 3426.1(d).

or ruling of the Commission, the assigned Commissioner, the assigned ALJ, or the ALJ then designated as Law and Motion Judge.

If Joint Applicants believe that further protection of the information kept under seal is needed, they may file a motion stating the justification for further withholding of the information from public inspection, or for such other relief as the Commission rules may then provide. This motion must be filed no later than one month before the expiration date.

#### **5. Comments on Proposed Decision**

The Joint Parties and OSA initially resolved OSA's Protest by filing a Motion for Approval of Settlement on February 14, 2019. OSA filed a Notice of Withdrawal from the settlement, thus, this Application remains contested. Accordingly, the proposed decision was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on \_\_\_\_\_ by \_\_\_\_\_ and reply comments were filed on \_\_\_\_\_ by \_\_\_\_\_.

#### **6. Categorization and Need for Hearings**

In Resolution ALJ 176-3421 dated August 9, 2018, the Commission preliminarily categorized the Application as ratesetting, and preliminarily determined that hearings were necessary. Although a protest was filed by OSA, which could lead to hearings, the parties agree that there are no contested issues of material fact that require evidentiary hearings to be held in this proceeding.

#### **7. Assignment of Proceeding**

Clifford Rechtschaffen is the assigned Commissioner and Patricia B. Miles is the assigned ALJ in this proceeding.

**Findings of Fact**

1. Gill Ranch Storage, LLC, Northwest Natural Gas Company, NW Natural Energy, LLC, SENSEA Holdings LLC, Sciens eCORP Storage LLC, eCORP Storage LLC and Sciens Natural Gas Holdings LLC (collectively “Joint Applicants”) filed A.18-07-019 for authorization to transfer control of Gill Ranch Storage, LLC from NW Natural Gas Storage to SENSEA Holdings LLC pursuant to Pub. Util. Code § 854(a).

2. The transfer of control will change the legal ownership, but not officers or day-to-day operation of GRS.

3. The transfer of control will not cause any physical change to GRS or the Facility and it can be seen with certainty that there is no possibility that the transfer of control will have a significant effect on the environment.

4. OSA filed a Protest on August 31, 2018, indicating that the Application failed to address relevant safety considerations as required under Commission Rules, and expressing concern that the reorganization could affect GRS’ ability to safely operate and maintain the Facility and impede GRS’ ability to respond to sudden or unexpected safety issues.

5. The Joint Applicants filed a Motion to Supplement on July 29, 2019, which addresses regulatory commitments to address issues raised in OSA’s Protest.

6. The parties are withdrawing their February 14 Joint Motion for Approval of Settlement, the Settlement Agreement and its attachments from the evidentiary record.

7. The Joint Applicants agree to comply with the terms and conditions under the settlement agreement between OSA and GRS which the Commission approved in D.18-05-010.



**Conclusions of Law**

1. The transfer of control is not a “project” as defined under CEQA, and is exempt from CEQA review, pursuant to CEQA Guidelines § 15061(b)(3).
2. The transfer of control is not adverse to the public interest.
3. The record for approval of the Application is comprised of the Application with attached exhibits, and the Joint Applicant’s Motion to Supplement the Evidentiary Record.
4. We also take Official Notice of the Settlement Agreement adopted in D.18-05-010, which Joint Applicants agree to uphold.
5. The list of regulatory commitments that the Joint Applicants offer, when combined with the proposed insurance coverage and the settlement agreement adopted in D.18-05-010, address the issues raised in OSA’s protest.
6. A commercial policy with minimum limits of \$5 million, insuring GRS against financial misdeeds by any employee of SENSA, effective as of the date of Commission approval of SENSA’s acquisition of GRS, should safeguard the economic or financial viability of SENSA or GRS.
7. The disclosure of the financials in the exhibits to the Application, and insurance information filed with the February 14 motion, would place the Joint Applicants at an unfair business disadvantage, therefore, the Joint Applicants’ Motion for Leave to File Under Seal insurance information, as well as Exhibits A, D and G to the Application should be granted for two years. During that period, the information should not be made accessible or disclosed to anyone other than the Commission staff except on the further order or ruling of the Commission, the assigned Commissioner, the assigned ALJ, or the ALJ then designated as Law and Motion Judge.

8. The proposed decision must be mailed for public comment pursuant to Section 311 of the Public Utilities Code.
9. This decision should be effective immediately.
10. This proceeding should be closed.

**O R D E R**

**IT IS ORDERED** that:

1. Pursuant to Pub. Util. Code § 854, the joint application of Gill Ranch Storage, LLC, Northwest Natural Gas Company, NW Natural Energy, LLC, SENSEA Holdings LLC, Sciens eCORP Storage LLC, eCORP Storage LLC and Sciens Natural Gas Holdings LLC (collectively “Joint Applicants”) for approval of their application for authorization to transfer control of Gill Ranch Storage, LLC, from NW Natural Gas Storage to SENSEA Holdings LLC dated February 14, 2019 is approved, subject to their continued compliance with the Settlement Agreement terms approved in Decision 18-05-010.
2. The Motions for Leave to File Confidential Materials under Seal are granted. All sealed information must remain sealed for a period of two years after the effective date of this order. After two years, all such information will be made public. If any party believes that further protection of the information kept under seal should remain sealed beyond two years, it may file a motion stating the justification for further withholding of the information from public inspection, or for such other relief as the Commission rules may then provide. This motion must be filed no later than 30 days before the expiration of the two-year period granted by this order.
3. Gill Ranch Storage, LLC, Northwest Natural Gas Company, NW Natural Energy, LLC, SENSEA Holdings LLC, Sciens eCORP Storage LLC, eCORP Storage LLC and Sciens Natural Gas Holdings LLC must notify the Director of the

Commission's Energy Division in writing of the transfer of control as authorized herein, within ten days of consummation of the transaction. A true copy of the instrument(s) of transfer must be attached to the notification.

4. The Joint Applicants are ordered to submit, no later than March 30, 2020, a Tier I Advice Letter to the Commission's Energy Division, to confirm that:

(a) the coverages set forth on page A-3 of the July 29, 2019 Motion to Supplement are in force for Gill Ranch Storage, LLC and (b) that they have procured a commercial policy (effective as of the date of the Commission approval of this acquisition application) to cover financial misdeeds by any employee of SENSA.

5. The authority granted by this decision will expire if not exercised within 12 months after the effective date of this order.

6. Evidentiary hearings are not needed in this proceeding.

7. Application 18-07-019 is closed.

This order is effective today.

Dated \_\_\_\_\_ 2019, at San Francisco, California.